

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

FISHING TACKLE INDUSTRY

AS APPROVED ON AUGUST 19, 1933

BY

PRESIDENT ROOSEVELT



1. Executive Order
2. Report of hearing submitted to National Recovery Administrator Johnson by Deputy Administrator Whiteside
3. Text of Code

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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE FISHING TACKLE INDUSTRY

An application having been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Fishing Tackle Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said Code of Fair Competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said Code of Fair Competition complies with the pertinent provisions of Title I of said Act:

Now, therefore, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report, recommendations, and findings of the Administrator and do order that the said Code of Fair Competition be and it is hereby approved, subject to the following condition:

(1) The Associated Fishing Tackle Manufacturers shall, as soon as practicable, amend the By Laws of said Association by repealing that provision which requires a vote of a majority of the Executive Committee or of the members for election to membership in the Association.

FRANKLIN D. ROOSEVELT.

Approval Recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
August 19, 1933.

NATIONAL RECOVERY ADMINISTRATION

WASHINGTON, D.C., *August 16, 1933.*

To the Administrator:

INTRODUCTION

This is the report of the deputy administrator to the administrator on the application for, and public hearing on, a code of fair competition for the fishing tackle industry, as proposed by The Associated Fishing Tackle Manufacturers. The code was adopted first on July 21, 1933, by a convention of fishing tackle manufacturers and was submitted in its present form for approval, as revised prior to the close of the public hearing on August 14, 1933.

The hearing was conducted in Washington on August 14, 1933. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements.

It is pertinent to remark that the Association sponsored the original code convention and succeeding conventions, but that all known manufacturers, whether Association members or not, were invited to be present and to vote on all proposals. In setting up the Fishing Tackle Industry Code Committee no nominations were made, and ballots were secret for the election of the five members to represent the industry. This procedure is subject to the approval of the Administrator. I recommend that it be approved.

ECONOMIC AND STATISTICAL MATERIAL

The fishing tackle manufacturing industry is relatively small and is classified by the Bureau of the Census with "Sporting and Athletic Goods." Thus it is difficult to attain an accurate statistical picture of the industry, but there are about 200 units. Certain discrepancies exist as between the Census figures and those submitted by the Association, but the latter include the 150 or so units of the "woodshed" variety, wherein one individual is usually the whole works, producing one or more items for local consumption.

The Association has 51 members, which produce approximately 85% of all fishing tackle, valued at between \$7,000,000 and \$8,000,000 for 1933. The industry has 3,100 workers at present; each worker is employed an average of 46 hours per week. In the peak year of 1928, there were not far from 3,500 workers and the average hours per week were about 47.

Data on wages have not been available, but it was adduced during the hearing that as little as 16 cents per hour had been paid for the lowest class of labor. Skilled workmen, however, such as machinists, had been averaging in excess of \$40.00 per week. In this connection

it was developed that there has been a considerable seasonal swing in production and employment in the industry as a whole.

RÉSUMÉ OF CODE PROVISIONS

All members of the industry realized the unwholesome competitive situation brought about by these conditions and the code as proposed offers specific remedies:

The *maximum hours of work* are set at 40 per week. There are no exceptions save office, supervisory, and sales staffs; but the office force shall not exceed 40 hours per week averaged over a six months' period.

The *minimum rate of pay* has been determined at 35 cents per hour. Employees who have been receiving more pay for the longer week are protected against any decrease. The differences between wage rates, as of July 15, 1933, will not be decreased. It is important to remark that no differentiation is made between male and female labor because the latter comprises something like 40% of the total and has previously been paid on a lower basis than male.

The industry, furthermore, agreed to abolish any overtime allowances for seasonal peaks, which, together with the inclusion of certain standards of trade practice, should tend to stabilize production and employment.

The operation of the code should, at least in theory, result in the employment of more than 600 additional persons, thus bringing the total well over that for the peak year of 1928. The exact increase in purchasing power deriving from the new wage scale and the increased employment is not ascertainable, but it will doubtless be substantial.

A minority in the industry, supported by certain jobbing interests, would have liked to include in the code a classification of distributors and to establish a formula of sale and resale discounts for each such class. This proposal, however, was entirely unacceptable to the majority; in view of the fact that it was not demonstrated how such a provision would benefit either the industry or the consumer and, further, that it is likely to be considered in the wholesale and retail businesses when their codes are heard, no action seems expedient.

FINDINGS

I find that: (a) The Code complies in all respects with the pertinent provisions of Title I of the Act, including, without limitation, subsection (a) of Section 7, and subsection (b) of Section 10 thereof; and that

(b) the Associated Fishing Tackle Manufacturers is truly representative of the fishing tackle industry. The By-Laws of this Association provide no inequitable restrictions to membership, but as now constituted, provide that any manufacturer of fishing tackle shall be admitted to membership upon a majority vote of the Executive Committee or, if the Executive Committee votes against admission, upon a majority vote of the membership of the Association; this provision is open to possible abuse and the Associated Fishing Tackle Manufac-

turers, through their Executive Committee, have agreed to amend the By-Laws as rapidly as the By-Laws themselves permit to avoid the possibility of any inequitable restriction upon membership; in order not to delay the operation of this Code, I recommend that the code be approved subject to the condition that the Associated Fishing Tackle Manufacturers amend their By-Laws to admit any manufacturer upon compliance with the customary conditions and without the requirement of a vote of approval by either the Executive Committee or the membership; and that

(c) the Code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

The Industrial and Labor Advisory Boards have expressed satisfaction with the code now presented. It was particularly pleasing to the Labor Advisor to have deleted any allowance in hours for seasonal peaks and any differentiation in the minimum pay of male and female employees.

The Consumers Advisory Board finds itself in agreement with all provisions in the code but suggests that care be taken to get adequate information into the hands of the Industry Code Committee, the administrative body. In that three members will be appointed by the President of the United States and that the code itself establishes many of the primary duties of this Committee and allows discretionary powers subject to your approval. I do not believe that the Consumers Board need feel any concern in this respect.

I believe that the fishing tackle manufacturers fully appreciate their responsibility and have evinced a constructive and cooperative will to serve it.

I recommend that the code be approved.

Respectfully submitted.

A. D. WHITESIDE,
Deputy Administrator.

CODE OF FAIR COMPETITION FOR THE FISHING TACKLE INDUSTRY

For the purpose of increasing employment, establishing fair and adequate wages, effecting necessary reduction of hours of labor, improving standards of labor, and eliminating unfair trade practices, to the end of rehabilitating the fishing tackle industry, and enabling it to do its part towards establishing that balance of industry which is necessary to the restoration and maintenance of the highest degree of public welfare, the following is established as the Code of Fair Competition for the fishing tackle industry.

ARTICLE I—DEFINITIONS

SECTION 1. The term "Fishing Tackle Industry" as used herein shall include the manufacture of wood fishing rods; metal fishing rods; fishing reels; fishing lines; flies; snelled hooks; gut and wire leaders; baits, including all wood, metal, composition, and preserved lures; fishing hooks; floats, furnished lines and sinkers; sundries, including creels, tackle boxes, minnow buckets, bait boxes, fly books and boxes, rod cases, reel cases, and tackle containers of all kinds; landing nets, dip nets, minnow seines and nets, nets for crabs and other live baits; gaffs and gaff hooks; rod mountings and parts; swivels and snaps and all other accessories such as scalers, disgorgers, stringers, fish knives, and any other article of fishing tackle not specifically mentioned herein.

SEC. 2. The term "manufacturer" as used herein shall include all natural persons, partnerships, associations, corporations, and trusts, including trustees in bankruptcy and receivers, engaged in the conduct of any branch of the Fishing Tackle Industry.

ARTICLE II—STANDARDS OF LABOR AND EMPLOYMENT

SECTION 1. To effectively apply to the Fishing Tackle Industry the letter and spirit of Section 7 (a) of the National Industrial Recovery Act, it is a stipulation of this Code that:

(a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from all interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives, or in self-organization, or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President of the United States.

SEC. 2. On and after the effective date no manufacturer shall employ any minor under the age of 16 years, provided, however, that where a State law provides a higher minimum age no manufacturer shall employ within that State any person below the age specified by such State law.

SEC. 3. All manufacturers within the Industry shall comply with the following conditions pertaining to maximum hours of labor and rates of pay:

(a) On and after the effective date no manufacturer shall operate upon a schedule of hours of labor for his employees—except office, supervisory staff, and sales force—in excess of forty (40) hours per week and eight (8) hours per day; the maximum hours of labor for office employees shall not exceed forty (40) hours a week averaged over each period of six (6) months based upon the usual fiscal year of any manufacturer.

(b) On and after the effective date the minimum rate of wages shall be not less than thirty-five (35¢) cents per hour, provided, however, that where a State law provides a higher minimum wage no person employed within that State shall be paid a wage below that required by such State law. Home workers and workers whose remuneration is dependent upon quantity and/or quality of production shall in no case receive less than the above specified hourly rate of pay.

(c) The amount of difference existing on July 15, 1933, between wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased; and in no event shall any employee be paid a less wage for a work week of forty (40) hours than such employee was receiving for the same class of work for the longer week prevailing prior to the effective date of this Code.

ARTICLE III—TRADE PRACTICES

Fair and constructive competition is to be encouraged at all times, but, in order that the Fishing Tackle Industry may be rehabilitated, unfair and destructive competition, wastes, and excesses must be eliminated. Each manufacturer shall comply with the following trade practices and violation of any of them shall be deemed an act of unfair competition within the meaning of the Federal Trade Commission Act:

SECTION 1. *Sales below cost of production and distribution.*—In order to prevent destructive price cutting in the Industry, no manufacturer shall sell or offer for sale any product at a price less than its "reasonable cost of production and distribution," except as provided in Sections 2 and 3 of this Article. The Fishing Tackle Industry Code Committee provided for in Article IV hereinafter, shall, subject to the approval of the Administrator, set up as soon as practicable a standard method of cost accounting for the Industry. Said Committee shall, subject to the approval of the Administrator, define "reasonable cost of production and distribution" for the purposes

of this Code and determine upon a basis to be uniform among the manufacturers of this Industry the character of the items to be included within such "reasonable cost of production and distribution."

SEC. 2. *Sales to Other Manufacturers.*—In order to better distribute employment and to prevent overproduction capacity, nothing in this Code shall prevent one manufacturer from selling his product to another bona fide fishing tackle manufacturer at prices mutually agreed upon, providing such sales are made at prices not less than "factory costs," and further providing that the purchasing manufacturer complies with the provisions of this Code when reselling said merchandise. All such sales or agreements for such sales between manufacturers shall be reported within the first ten days of the month following to the executive officer of the Fishing Tackle Industry Code Committee. Said Committee shall, subject to the approval of the Administrator, define "factory costs" for the purposes of this Code.

SEC. 3. *Close Out Merchandise.*—Mill ends, dropped lines or surplus stocks which must be converted into cash, may be sold at such prices as are necessary, provided such merchandise shall not be sold at a price less than the direct cost of labor and raw materials. The total of all such sales, with the lowest unit price indicated, shall be reported within the first ten days of the month following to the executive officer of the Fishing Tackle Industry Code Committee.

SEC. 4. *Refusing to Sell Other Products or Items.*—No manufacturer shall refuse to sell one class of product or item to a customer except on condition the purchaser will also purchase other products or items made or sold by the same manufacturer; or sell such other products at reduced prices or on special terms or under special conditions given to induce the buyer to purchase such other different classes of articles. Each manufacturer shall sell each different line of merchandise independently, and shall not cut the price on one with the provision that other lines be purchased, or require a purchaser to purchase one class of merchandise as a consideration for being allowed to purchase another.

SEC. 5. *Terms.*—Terms to customers buying at jobber prices shall be 2% ten days E.O.M., 60 days net from date of invoice; no dating; no sales or shipments on consignments; and any interest allowed for anticipated payment of invoices shall not exceed the rate of six percent (6%) per annum.

SEC. 6. *Advertising Ethics.*—No manufacturer shall use false or misleading statements or illustrations in catalogs or any form of advertisement.

ARTICLE IV—ADMINISTRATION

SECTION 1. To effectuate further the policies of the Act, a Fishing Tackle Industry Code Committee is hereby designated to cooperate with the Administrator as a planning and fair-practice agency for the Fishing Tackle Industry. This Committee shall consist of five representatives of the Industry elected by a fair method of selection, to be approved by the Administrator, and three members without a vote appointed by the President of the United States.

Such agency may, with the approval of a majority of the members of the Associated Fishing Tackle Manufacturers, present to the Administrator recommendations based on conditions in the Industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act. Such recommendations shall, upon approval by the Administrator, become operative as a part of this Code.

SEC. 2. Such agency is also set up to cooperate with the Administrator in making investigations as to the functioning and observance of any provisions of this Code, at its own instance or on complaint by any person affected, and to report the same to the Administrator.

SEC. 3. Such agency is also set up for the purpose of investigating and informing the Administrator on behalf of the Fishing Tackle Industry as to the importation of competitive articles into the United States in substantial quantities or in increasing ration to domestic production on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of this Code, and as an agency for making complaint to the President on behalf of the Fishing Tackle Industry, under the provisions of the National Industrial Recovery Act, with respect thereto.

SEC. 4. The Secretary-Treasurer of The Associated Fishing Tackle Manufacturers shall be the executive officer of the Fishing Tackle Industry Code Committee.

SEC. 5. In order to provide data necessary for the administration of this Code, all manufacturers shall furnish to the office of the Secretary-Treasurer of The Associated Fishing Tackle Manufacturers such information or reports as may be required, subject to the approval of the Administrator, by the Fishing Tackle Industry Code Committee. Such information as may be submitted to the Secretary-Treasurer by one manufacturer shall not be revealed to any other manufacturer except as may be required by the Fishing Tackle Industry Code Committee to effectuate the purposes of this Code.

SEC. 6. Any manufacturer may participate in any activities of The Associated Fishing Tackle Manufacturers, by assuming a proper pro rata share of the cost and responsibility of administering this Code, either by becoming a member of The Associated Fishing Tackle Manufacturers or by paying to it an amount equal to the due from time to time provided to be paid by a member in like situation.

ARTICLE V—GENERAL

SECTION 1. This Code shall be in effect beginning ten days after its approval by the President of the United States.

SEC. 2. Any contract in effect on the effective date of this Code shall be reported to the executive officer of the Fishing Tackle Industry Code Committee and said Code Committee shall act as an agency to assist in effecting appropriate adjustments of such contracts, by arbitral proceedings or otherwise, to reflect any increased costs due to the application of the provisions of this Code.

SEC. 3. In the event of the elimination of any provision of this Code for any cause whatsoever, the remaining provisions shall nevertheless continue in full force and effect until modified or eliminated or until the expiration of the National Industrial Recovery Act.

SEC. 4. It is expressly understood and agreed that no provision of this Code shall be interpreted or applied as in any way:

(a) tending to promote monopolies or the establishment of exorbitant prices by the industry;

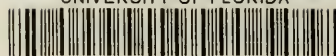
(b) permitting or encouraging unfair competition;

(c) tending to eliminate or oppress small enterprises or to discriminate against small enterprises.

SEC. 5. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of Clause 10 (b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of said Act, and specifically to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

SEC. 6. Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in the circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions thereof.

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